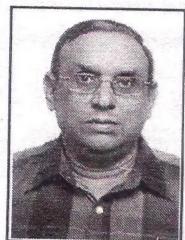


# CORPORATE SOCIAL RESPONSIBILITY, FEEDBACK AND EVALUATION OF PERFORMANCE OF BANKING SECTOR —A MEDIA PERSPECTIVE

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The term 'Corporate Social Responsibility' (CSR) sounds high but in practice one finds it as a cry in the wilderness in India. The reason is that our corporate sector does not feel that it has a 'responsibility' to deliver goods/services in matching terms to the common good of its consumers or people who give it a massive wealth and profits both in short and long term. It is not a mere subjective statement or rhetoric per se. While this article is written with an understanding that the readers of this article would be familiar with the basic definitions, meaning and scope of the term 'corporate social responsibility' (CSR) which includes the widest range of consumer-corporate relationships such as *corporate conscience, corporate citizenship, responsible business, sustainable responsible business (SRB) or corporate social performance* the author feels that the 'corporate social responsibility' includes the inconveniences/disadvantages caused by the corporate sector to its consumers and customers.

The corporate sector must have a feed back mechanism through which it should be able to know whether it is delivering goods/services to its customers to their satisfaction. Due to increased globalizing culture, the corporate sector is fast expanding into a number of modern high tech services which include internet, telecom and mobile based services too. But one question stares into the commoner's face is whether the pace of extension and expansion of goods and services is commensurate with the feed back and evaluation that the sector need to know how it is performing really at the consumer or customer level in the field. A number of questions arise often but most of them are not well studied/surveyed by the business schools. The author of this article had conducted a study on the Uses and Gratification of ATM banking vs Regular Banking in Manipal University area at Manipal and had discovered a number of startling facts from the customer survey.

For the benefit of the perspective target groups involved in the research on CSR, it is better to frame some questions which have been often glossed over in the enormous anxiety that resonates in the echo of a strong demand for advanced research on the corporate macro-performance indicators particularly aimed at the magnitude of the business, segmentation of market and profits in the form of surveys.

For the purpose of this article, the following questions concerning the banking sector could be taken up in a normative way to show how they remained unanswered ubiquitous problems of the commoner irrespective of a specific bank in the banking sector.

Questions that are to be addressed to include: **i.** whether the high-tech services based on the tele-services such as phone-banking services, mobile alerts, mobile banking and ATMs are satisfying? **ii.** whether common man is aware of how can one address the grievances if any in the services/goods of the banking service deficiency to a competent authority with regard to these services? **iii.** what are the common services that are indeed troubling/satisfying the commoner from the banking sector? **iv.** what are the common services that

banking sector is ignoring from accomplishing its social responsibility?

These questions are of consequence not only to the aggressive business schools but also to the media institutions as most of the questions taken up for the present study are media related. For instance services like tele-banking/phone banking, internet, mobile alerts and mobile banking and ATMs within the definition of 'media' in a broader sense.

By citing a few practical examples that we encounter in our day to day life and by examining them in a close angle, perhaps one can understand that there is a huge gap between the corporate profits and corporate social responsibility with the latter being far behind the desired level.

### **Banking Sector-high tech services/goods vs csr**

#### ***ICICI tele/phone-banking service-an Ordeal or Boon?***

For instance let us take ICICI phone banking service. No one knows from where it operates. All that you know is to call up a number given city wise or region wise and then keep pressing the digits for each of the options spelt out over interactive voice recorder. By the time you choose your option and press the button, you listen to a message 'Your call is on the wait. All our customer executives are busy' 'Your call is important for us'. The message goes on repeating with some music and cautions/alerts or advertisements in between. After a gruelling wait, one customer executive will come onto line. He/she raises a number of questions about your identification and then, takes your final query. By the time you get your query satisfactorily addressed to, which is always not possible, it would be not less than 30 minutes.

Now imagine in the present day of running on heels around with a hectic schedule at your disposal, what is the cost of 30 minutes to a person to remain on line get connected without knowing the outcome of your query later. Is this experience exclusive to ICICI bank or same with other banks/financial/marketing sectors in the private sector? To this question the answer could be little varied in terms of one's wait, pain and the ultimate snubbing/stupid answers that emanate from the customer care of the respective banks to the anxious customers.

A customer survey of the digital operation of this phone-banking service and the enormous time consumption over the response from the customer care officer, a number of customers expressed deep anguish. Even banks like SBI are not exception to this sagging phenomenon.

The customers demand a more accountable phone-banking service with less consumption of time and complications in operating the digits for various options.

Barclay Bank is slightly better on phone banking within India. Make My Trip is another one which eats away one's time if one is asking for a refund for a foreign ticket cancellation than Indian ticket cancellation.

#### ***ATMs: Are they true to Any Time Money?***

A random survey a ATMs which are satellite based has found that 5 to 6 out of 10 ATMs in a given market area, whether in Manipal or in Tezpur (where the author has conducted the surveys personally) are often found to be having problems. Some do not work but there would not be any notice to that effect either on the ATM screen or in side the ATM cabins. Whereas some ATMs do not generate the receipts for you, some ATMs fail to generate the quantum of amount you require in a single draw.

### **Limited amounts withdrawals against stipulated amounts on the debit/credit cards**

For instance every category of ATM card stipulates some limit of withdrawal such as 10,000/- or 15,000/- per a single withdrawal. But in actual experience one cannot withdraw at a time 10,000/- or 15,000/- at a time.

### **Complaints in case of any capturing of one's card/any other malfunction**

It has been part of the customer care that the banks which operate ATMs must leave the contact numbers whom one can contact in case of capturing of card by the ATM or ATM suddenly lapsing into a defective mode. But, in the early days of establishment of ATMs in India, these contact numbers and the persons names to be contacted are displayed on a notice board inside the ATM. But now a day, these numbers have changed but no replacement with the new numbers could be seen

### **Depletion of cash**

Very often one wonders the why often ATMs go out of cash. The ATMs would be working but there would not be any cash. But, there is no display of a notice on the ATM screen to that effect. It leads you to instant confusion as to your balance or any possible embargo on your debit card/credit card by your bank.

### **Fake notes sans inquiry from the RBI/Concerned Branch or Police**

The ATMs have become rather harbours of fake notes.. Yet, no proper enquiry will be held. It is also left to the chance/fate of the customer without revealing who should be responsible in such kind of loss to the customer..

### **ATM banking vs regular banking: difference in charges**

It is a universally accepted fact that the establishment of ATMs has been more an operational necessity for the banking sector than for the customers. At no point of time in the immediate globalization in 1990s, either the commercial banks or the RBI in India have conducted a market survey from the customers as to whether the people of India required something like ATMs. They have been established to cope with the increased work load on the regular banking due to the insufficient manpower engendered by the lack of recruitment over one and half a decade by the nationalized banks. Firstly there was no recruitment matching the retirement/resignation from the banking services. Secondly the banks kept on expanding their services in various forms both horizontally and vertically (night banking, evening banking, Sunday banking).

But, the problems arose with the ATM charges. When a customer does regular banking across the counter, no charges are made to him/her. But, if he draws an amount from the ATM, certain charges have been made to his account. Why? Thus again it is a one sided affair/decision without accountability.

### **Mobile banking/alerts**

Though no survey reported on the user satisfaction of mobile alerts/banking, some studies welcoming mobile banking/alerts described the development as a step forward in bridging the gap between the rural and urban India.. In the author's survey of the satisfaction the mobile banking/mobile alerts on a convenience sample or a snowball sample of bank customers having given the mobile numbers to the banks, the important facts that emerged are as follows:

- i. People often change their mobile numbers or services on their mobiles which frustrates a mechanized system of banking operation to successfully render the service.
- ii. There is a little regularity of up-dation of changed mobile numbers from the customers.
- iii. Many give their option for banking alerts/mobile services only once at the time of opening accounts in the respective banks. Afterwards the customers will not seek to post their numbers for every new service added to the banks' operations. As such for extended operations, there would not be any availability of

new bank services on the mobiles.

- iv. Neither the banks seek to involve the mobile alerts/services such as mobile banking to the new services they (banks) newly open up for customers.
- v. As such mobile banking as of now is a very limited phenomenon and has not reached wider target groups. Neither there is a very efficient service possible on the mobile banking.

#### **Feedback and Evaluation of the Performance of the CSR of Banking Sector**

What one wonders is that in spite of rapid expansion in the banking sector, no customer survey/consumer survey is done by the banks in regard to their services to the people. Though profits are displayed in the news papers advertisements every half year, no customer feed back is taken with regard to its extending services such as tele-banking/phone banking/ ATMs/mobile alerts.

Further it is not known whether the extended services/goods have brought down the work pressure on the regular banking. A casual visit to any bank would reveal a lot of over crowding and the transactions resulting in a lot of time consumption. Besides, delays in the banking transactions, a number of other complaints such as non-updation of S/B accounts in the pass books, non-posting of interests from FDs in to savings account or errors in calculation in interests on the savings accounts, etc. remain unattended to.

#### ***Customer fleecing-a diminishing social responsibility***

Many a time the customers have been heard of complaining that they have been fleeced for every service. Today DDs have become very costly exercise. One can take a DD for Rs. 100/- but if one cancels the DD, the cancellation fees is also Rs. 100/-which means the customer does not get back any thing. Even internet banking costs some fees from transaction to transaction. Even ATM transactions cost you though one is drawing amount from one's own account

Recently IDBI has taken a revolutionary step. It has announced that it would not charge any ATM fee on any debit card of any bank.

Since the time of former Chairman YSN Reddy of RBI to the present D V Subba Rao, a constant refrain is doing circles of banking sector that there should be a rationalization of service charges in the banks making banking a more customer friendly and a joyful experience. However it is a dream yet to realize.

Due to increased work load on the banking, the savings bank minimum limits have raised in the urban centric banks from Rs.100 to Rs.500 (without cheque book) and Rs. 1000 (with cheque book). This has led the people below the poverty line (BPL) and the retired old pension people to keep away from the main banking sector.

#### ***Core banking vs personal banking: problems in obtaining a demand draft without an account***

Another discouraging factor is that core banking has certainly helped the banking sector to trace the transactions of a given account across the globe but has brought a number of problems for the commoner. For instance prior to core-banking, one can approach any bank for buying a demand draft on any name. Now banks have been refusing to issue a demand draft without having a core banking account in that particular branch. Banks which are dealing with the personal banking do not entertain any request for demand draft from those who do not have an account in that banking. Now how can a commoner know which bank offers a demand draft without having an account.

#### ***RBI failure in containing interest limits for the micro-financing***

Micro finance has become a glaring example of banking sector failure to protect the interest and the welfare

of rural poor. The business correspondents in the rural sector, who are drawing money from the banks, are offering interests to the rural women, self-help groups and men at higher interests. As a result the poor who could not pay back the principal amounts besides huge interests in time had to face the wrath of these micro-financing agencies enrolled with the banks as business correspondents. All this resulted in the passing of an ordinance by the AP Government which is meant to restrain the micro-financing agencies from indulging in slanderous attacks on its target groups. However the ordinance has fallen short of the expectations to fix a limit or ceiling on the interest chargeable by the micro-financing agencies on its target groups. This has led to the entire opposition coming together in Andhra Pradesh to mobilize the people against committing suicides first and then to advocate to the people not to pay back to the micro financing agencies till the slash their interest rates.

### **Corporate Social Responsibility**

The corporate social responsibility is a wider term as described in the introduction. Customer care and satisfaction is part of the social responsibility undoubtedly. The extension of this social responsibility should be covering the adoption of villages, providing amenities for social welfare hostels of SCs, STs and BCs, funding schools/colleges in the government sector for basic provisions such as toilets for girls/boys, equipment and modernization, etc. But, till date no such social responsibility is happening anywhere from this hugely profit making banking sector. Almost all the nationalized banks and the private banks in India are in the profits only..

The conservative mindset of the banking has not yet allowed the sector the full benefits and scope of the globalization. The banks can be active collaborators with the educational institutions/colleges/universities through sponsoring research, conferences and workshops. This aspect of academic involvement is conspicuously missing.

Most of the liberal funding the banking sector presently seen engaged in is in the form of advertising. One can see the enormous money spent by the banks in releasing advertisements to the front page of all leading news dailies at national and regional level. A part of such huge advertising would have brought a lot of relief to the rural infrastructure (schools, hospitals, water, sanitation, agriculture, women and child groups development, etc) .

The banking sector failure in being part of social reconstruction of rural India is more glaring than ever today. One reason one can say is that banking sector's conservative mindset which seeks a question –'what will I get if I give funding for such and such activity? Do I get business there?' Though there is no apparent return one can promise or show to the sector, there is no doubt that increased corporate social responsibility will lead to a circular growth which will also lead to the growth in the business of the banking sector and there would be win-win situation to the mutual benefit of target groups and the banks as well.

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